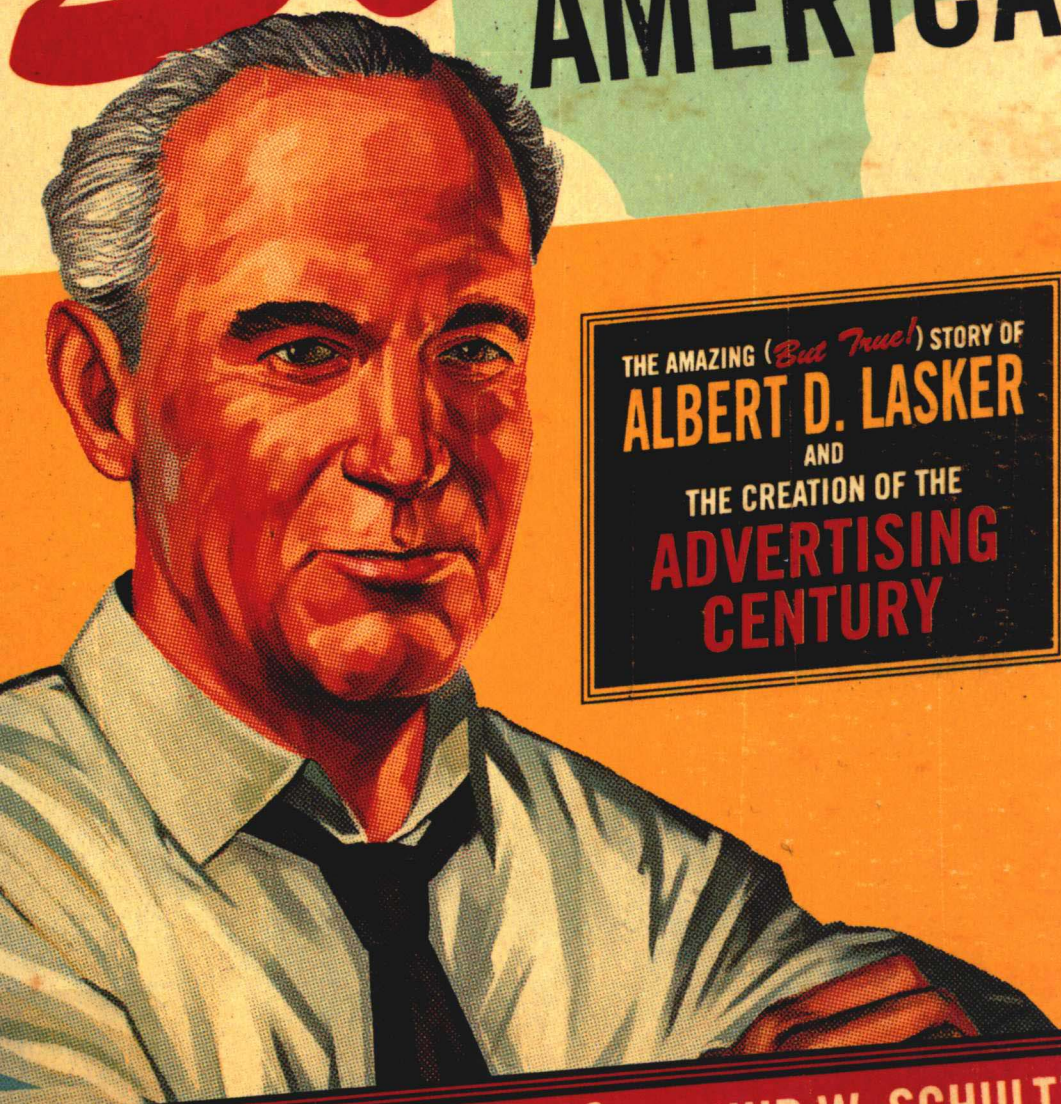


THE MAN WHO *Sold* AMERICA



THE AMAZING (*But True!*) STORY OF
ALBERT D. LASKER
AND
THE CREATION OF THE
**ADVERTISING
CENTURY**

JEFFREY L. CRUIKSHANK & ARTHUR W. SCHULTZ
HARVARD BUSINESS REVIEW PRESS

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JEFFREY L. CRUIKSHANK

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Introduction

7 **HE COLLIER'S REPORTER** who interviewed Albert Lasker in Washington in February 1923 was struck by his subject's rapid-fire delivery and elusive logic.

Lasker's brain was a "furious express train," which seemed to run along six or seven tracks simultaneously. The train raced ahead "with every chance that when it reaches the terminal station it will go straight through the back wall."¹

For Lasker—a forty-three-year-old advertising executive from Chicago who had temporarily transformed himself into a Washington bureaucrat—this was nothing new; he had always lived his complicated life at a breakneck pace. But the second month of 1923 was proving unusually challenging even for the hyperactive Lasker.

He was engaged in a bitter and bruising battle on behalf of the president of the United States, trying to implement a coherent national maritime policy. Two years of hard work were on the line. He was losing.

Meanwhile, his advertising agency, Lord & Thomas—which Lasker had over the previous quarter century built into one of the largest and most influential agencies in the United States—was in financial peril.

At the same time, Lasker was suffering from a nasty case of the flu, which was causing him much discomfort. His only trips outside his Washington townhouse in the first week of February were to the White House, where he spent three successive evenings with President Harding and his wife, Florence. The First Couple, too, had been felled by the flu. They seemed to find the presence of a friend and fellow sufferer—one who was a little farther down the road to recovery—comforting.

"I have been making a very determined effort to be just as fashionable as I could be in Washington," the still-bedridden Lasker wrote a few days after his visits to the Hardings, in a sly letter to his friend William Wrigley Jr.

Lasker and the chewing-gum king, both Chicago-based businessmen, maintained an odd relationship, equal parts professional and personal. Together, they owned a controlling interest in the Chicago Cubs. Lasker had enticed Wrigley, who when left to his own devices thought only about gum, not only into baseball, but also into Republican politics. This included tapping Wrigley's substantial fortune on behalf of several Republican candidates, including Warren Harding.

"To be fashionable in Washington is to have the grippe," Lasker continued, tongue in cheek, "and I have had an attack of intestinal grippe, which kept me in bed for practically a week, and away from the office for sixteen days."²

By now, Lasker—always a quick study—was an authority on the "grippe," and he enjoyed sharing his newly acquired medical expertise with similarly stricken friends. In a letter to his ailing friend Arthur Brisbane—editor of the powerful *Evening Journal*, William Randolph Hearst's flagship newspaper in New York—Lasker offered tips on combating the flu's miseries.

The real subject of the letter, however, was anti-Semitism. A decade earlier, Lasker and Brisbane had been coconspirators in a nationwide campaign to save the life of Leo Frank, the Jewish factory superintendent in Atlanta, Georgia, who, on scanty evidence, had been convicted of raping and murdering a young factory girl.³ In that effort, Brisbane and his boss Hearst had established themselves as reliable allies of the Jewish community. But now there was a problem. The *Evening Journal*, still edited by Brisbane, was featuring articles sympathetic toward a presidential run by carmaker Henry Ford: wealthy, famous, and viciously anti-Semitic. Jews in New York and elsewhere expressed their outrage.

Lasker himself had felt the lash of Ford's prejudice less than two years earlier. At that time, the *Dearborn Independent*—a scurrilous rag bankrolled by Ford—had blamed Lasker for the infamous Black Sox scandal, in which members of the Chicago White Sox threw the 1919 World Series in exchange for gambling money.

By then, accustomed to encountering the ugly face of anti-Semitism in his many endeavors, Lasker had simply shrugged off Ford's attacks. But Brisbane lacked Lasker's thick skin. He was receiving a steady stream of angry

letters, and he wanted to know if Lasker could explain to him why these particular Jews were so, well, *touchy*.

"Yes, I can," Lasker replied: "The Jew has been persecuted for so many centuries, and he is so fearful that if Henry Ford is President, that persecution will come to him in America, that naturally he is unnerved at any remote incident that might help Ford in that direction, and is particularly unnerved when it comes from a power such as yours, who has always been a staunch supporter of the Jew."⁴

Lasker chose his words carefully. He didn't want to offend his friend. Even more important, he didn't want to risk alienating the powerful Hearst, an invaluable ally as Lasker fought his maritime battle in the nation's capital.⁵

Another more personal problem preyed on Lasker's mind in those early months of 1923. He faced a serious threat to his personal fortune, owing to skullduggery on the part of a client—the California Associated Raisin Company, also known as "Sun-Maid"—to whom Lord & Thomas had advanced large sums of money. And because much of Lasker's personal fortune was tied up in Lord & Thomas's cash accounts, a threat to the agency was also a threat to the Lasker family's opulent lifestyle. The Chicago mansion; the estate in Glencoe, Illinois; the four-month winter vacations; the plans for an even grander country estate—all might be on the line.



Who was this Albert Davis Lasker, whose energy and imagination ran in so many directions at once, and who was (in his own words) "driven by a thousand devils"?⁶

His friends considered him charming, brilliant, thrilling, and exhausting. *Time* magazine observed, not approvingly, that "the current he generates is seldom grounded."⁷ Arthur Andersen, head of the accounting firm that bore his name, once commented, "When I go into the room with Lasker, I can hear the dishes break."⁸ His subordinates admired him enormously—and dreaded his arrival at the office and the tumult that inevitably ensued. Clients quickly learned that there was no such thing as a half-embrace of, or by, Albert Lasker.

He pursued life with a fervor that offended and alienated many people. "A lot of people can't stand me," he once admitted, "because they think I'm

too aggressive and too dynamic.”⁹ Little men (to use his terminology) were driven off by it. Big men, such as RCA’s David Sarnoff and American Tobacco’s George Washington Hill, drew energy from it. They looked forward to fighting with Lasker. They learned from him.

“He is the only man I felt I’d like to murder, every now and then,” Herbert Field confessed, almost twenty years after being pushed out of his senior position in Lord & Thomas’s Chicago headquarters, then adding, “There isn’t a finer man living.”¹⁰

“I’d like to kick him in the back,” said a former associate who left the New York office under duress, but similarly added, “I have never met a man as colorful and virile and as personable as Mr. Albert Lasker. Never.”¹¹

Lasker’s energy and passion infused both his personal and professional lives—and sometimes those two lives converged. One Monday morning in 1939, his top lieutenants gathered for their weekly “state of the agency” meeting. This was no ordinary Monday, however: it was the first such meeting after the very public unraveling of Lasker’s second marriage—a disastrous union with a Hollywood starlet that fell apart even before their shipboard honeymoon ended. Everyone in the room knew the salacious details. All were eager to see how the boss would handle the situation.

The door from Lasker’s private office opened, and he walked in and took his customary seat at the head of the table. “Gentlemen,” he intoned, “in his life, every man has a right to make one mistake. *I have made mine.*”¹² The meeting began.

Lasker, often referred to as the “father of modern advertising,” exerted an enormous influence on his industry. Before he arrived on the scene, advertising agencies were mostly brokers of space in newspapers and magazines. With Lasker’s prodding—and with contributions from pioneers at a handful of other agencies—the industry became a creative force and began earning substantial commissions.

Lasker worked his magic by relying on the power of *ideas*. The list of companies and brands that he helped launch or revitalize—in large part through the selective amplification of powerful ideas and in part through his own instinct for drama—is unparalleled in the history of advertising.

Lasker spearheaded the transformation of an obscure soap produced by a Milwaukee manufacturer into a dominant national brand: Palmolive. He rescued two faltering Quaker Oats breakfast cereals as Puffed Wheat and Puffed Rice—"foods shot from guns!"—and sparked a thirtyfold increase in sales. He invented the "Sunkist" and "Sun-Maid" brands, and prompted huge increases in the consumption of oranges and raisins.

He quadrupled Goodyear's tire sales in less than four years. He plotted out how Kimberly-Clark could market the first sanitary napkin (Kotex)—a previously unmentionable product—as well as the first disposable handkerchief (Kleenex). In the space of three years, he increased sales of Lucky Strike cigarettes from 25 million a day to 150 million a day. Already a self-made millionaire, in the 1920s and 1930s he helped build the tiny Pepsodent toothpaste company into an international powerhouse, making himself far wealthier in the process. He at first resisted the new medium of radio; soon enough, though, he embraced and mastered it. His most celebrated show was *Amos 'n' Andy*; his most famous pitchman (for Pepsodent) was a hitherto obscure comedian named Bob Hope.

Although Lasker enjoyed making and consorting with stars—and in one case, marrying them—he remained largely unimpressed with them. One day, the head of Lord & Thomas's broadcast department reported to Lasker that Hope was grumbling about his contract with the agency. "Mr. Lasker," the subordinate said, "Bob is very unhappy. He says he just can't put the show together for \$4,000 a week. He must have \$6,000." "Just between us," Lasker replied dryly, "I'd rather have Mr. Hope unhappy at \$4,000 than unhappy at \$6,000."¹³

Lasker invented a particular kind of ad agency: one that delivered high service to a relatively small number of key accounts—most often driven by a personal relationship between himself and the head of the client company. At Lord & Thomas, relatively little was invested in prospecting or conducting market research on spec. The result was high margins, and—for Lasker—enormous personal wealth.

He maintained close relationships with dozens of powerful businesspeople and applied the insights he gained in one context to give advice in others. Well before McKinsey & Co. began offering strategic counsel in the 1930s, Lasker performed the same role for leading firms across the country. "Give him an equal knowledge of the facts," said RCA's legendary head David Sarnoff, "and I'd rather have his judgment than anybody else's I know."¹⁴

Using many of the same tools he had developed in advertising, Lasker also helped shape the infant field of public relations. He masterminded the “idea side” of two key political campaigns, helping Warren G. Harding win the presidency in 1920 and thwarting muckraking author Upton Sinclair’s 1934 bid for the governorship of California.

Sometimes Lasker failed, and failed spectacularly. In the notorious Leo Frank case (1913–1914), he and his media allies (including not only Arthur Brisbane but also Adolph Ochs of the *New York Times*) so infuriated Georgians that Frank’s death at the hands of a lynch mob became almost inevitable. He failed to persuade Congress to transform the maritime industry in the early 1920s. And his attempts to replace the New Deal with an economic compact of his own devising came to nothing.

But he always rebounded. When he finally left advertising, he applied his extraordinary skills in entirely new contexts. His third wife, Mary, introduced him to a new world—philanthropy—which at first proved resistant to Lasker’s outsized visions. But he used the tools he had embraced in the commercial context, including radio, to change the way the nation thought about cancer and other diseases. Organizations like the American Cancer Society, Planned Parenthood, the National Institutes of Health, and the National Institute of Mental Health all benefited enormously from the Laskers’ energetic advocacy. Reshaping philanthropy and expanding medical research in America—achievements still embodied today in the annual awarding of the Lasker Prizes—are among Lasker’s most enduring legacies.

By the time of his death in 1952, Albert Lasker had not only redefined advertising, public relations, politics, and philanthropy but also had exerted a major influence in sports and the arts.

After selling his interest in the Chicago Cubs to Bill Wrigley, for example, he turned his attention to golf. At his splendid 480-acre estate in Lake Forest, Illinois—maintained by a staff of fifty-five—he supported an experimental “grass station,” run by the United States Golf Association, that investigated various kinds of turf. He employed the celebrated golf-course architect William S. Flynn to create one of the best courses in America: eighteen holes set on 180 acres. He offered a prize of \$500 to anyone, professionals included,

who could break par on the Lake Forest course; it took seven years for someone to claim the prize.

Almost incidentally, he assembled one of the world's most significant collections of Impressionist oils, watercolors, and etchings. At one point, he was the owner of multiple Renoirs, nine Matisses, Van Gogh's *Zouave* and *White Roses*, seventeen Picassos, and twenty-four Dali watercolors. He commissioned Dali to paint cityscapes of four Italian cities, and dined with the aging Henri Matisse at his studio in Nice.

Lasker's scope and impact were nothing short of astounding—and he knew it. “There wasn't a living American in so many ways each day partially responsible for people doing as many things as I was,” he once commented, in his hurried and distinctive syntax, “That is provable.”¹⁵

He was right.

As the *Collier's* writer observed in those frantic early months of 1923, Lasker was blessed, or cursed, with an extraordinarily high energy level. But there was another side to this intensity: Lasker suffered most of his adult life from a major depressive illness. In 1907, at the age of twenty-seven, he experienced a complete mental and emotional collapse. “I could do nothing but cry,” he said. And unfortunately for Lasker, the pattern set by this first breakdown persisted for most of his life: “I always say [that] I got over all my breakdowns except the first one.”¹⁶

He slept poorly. As a teenager and young adult, he drank heavily. Under the influence, he once attempted to drive a horse-drawn sleigh into a Grand Rapids, Michigan, barroom. He suffered from dramatic mood swings and sometimes indulged in impulsive behaviors. But for the most part, Lasker dealt with his affective illness admirably, even heroically. At that time, there was no effective treatment for depression: no electroshock therapy; no psychoactive medications. Although Freudian theory had taken root in the sophisticated circles in which the Laskers traveled, it manifested itself mostly in the form of jargon that was thrown around lightly and only partly understood. In the larger world, meanwhile, mental illness was still perceived as shameful—something to be hidden—and psychotherapy was viewed as an exotic form of quackery.

Drawing on his reserves of energy, self-awareness, and determination, Lasker fought back against his illness. He survived—and flourished. His rare ability to put troubled geniuses to work on challenging problems—legendary

advertising talents like John E. Kennedy and Claude C. Hopkins—grew in part from the fact that he himself had been driven by “a thousand devils.”

In his final years, Lasker developed an “absolute passion for anonymity in anything he did.”¹⁷ He killed off the autobiography that his first wife had begged him to undertake. Only reluctantly did he let his third wife put his name to a foundation. (And only after his death did she put his name on the “Albert Lasker Awards.”) Little by little, Lasker became invisible. The curtain that Lasker created between himself and the pages of history became almost impenetrable.

This book parts that curtain to reveal the man behind it—the real and extraordinary Albert Davis Lasker: the man who sold America.

Chapter One

The Orator and the Entrepreneur

ALBERT LASKER'S ninth birthday party—on May Day, 1889—provides a glimpse of life in Victorian Galveston, Texas, as lived by a fortunate and precocious child.

That afternoon, at 5:00 p.m., in response to a written invitation from “Master Albert Lasker,” more than fifty children assembled on the rolling lawn of his father’s house. His parents, Morris and Nettie, supervised games for the first hour of the party: the ritual May Pole dance followed. Next came the crowning of the May Queen, which (according to a reporter in attendance) was of great interest to the girls, whose hearts went “pit a pat” with anticipation: “A large chair, garlanded with beautiful flowers, and arranged in the center of the lawn, answer the purpose of a throne, upon which the queen reigned during her coronation, Master Albert Lasker encircling her brow with a floral wreath, after making a very flowery speech full of spring poetry and beautiful sentiment.”¹

Albert Lasker’s story is rooted in the bustling port city of Galveston. There he was raised and schooled. There he got his first exposure to the tantalizing and disreputable world of journalism, and also to its staid and slightly more respectable cousin: advertising. There he first stretched his entrepreneurial wings and developed passions—including baseball, drama, poker, politics, and power—that would endure.

But the broader story of Lasker’s life begins in the small Prussian town where his father, aunts, and uncles were born, and in Germany, where Albert was born in 1880 while his parents were visiting Europe. His business acumen, his entrepreneurial drive, and his desire to make a difference in the world can all be traced back to the traditions and values of his extended family.

Those characteristics also reflect the conflicting legacies of his father Morris and his uncle Eduard. Born ten years apart, these two brothers pursued strikingly different paths. Eduard established himself as one of the most renowned and controversial German politicians of the nineteenth century; Morris made his mark as a pioneer and entrepreneur in the American Southwest. Eduard died a bachelor; Morris fathered six children.

But they shared more than a name. Both were ambitious. Both experienced major triumphs and devastating defeats, and both suffered from extended periods of profound mental distress. And although their two lives were very different, the shadows of both can be seen in Albert Lasker's life.

Eduard Lasker was born to Daniel and Rebecca Lasker in 1829. The family lived in Jarocin, a largely Catholic town that had a sizeable Jewish community of around 160 families. Daniel was the proprietor of a nail shop and also part-owner of a glass store and a refinery. But as Jews, his family remained distinctly second-class citizens.

The family had a strong tradition of scholarship; many of Daniel's ancestors had been respected rabbis and teachers. Eduard was a highly intelligent child, with a special talent for Talmudic studies, and the family hoped that he, too, would become a rabbi. But Eduard drifted away from the religious life and at age sixteen left home to attend the University of Breslau, where—during the revolutions of 1848—he became a political activist. At one point he quit school to publish several issues of a radical periodical, *Der Sozialist*.² After several years of law study in Breslau, Eduard left for London in 1853, his personal protest against the stifling political climate of Prussia, which was then halfway through the twenty-one-year rule of the deeply conservative King Frederick William IV.

Exile changed Eduard. The more time he spent away from his native country, the more nationalistic his tendencies became. Convinced that his talents should be put to use in the service of his state, he returned to Prussia in 1856, and took a job as a court lawyer in Berlin.

In 1861, following Frederick William's death, his younger brother William ascended to the throne. A year later, he appointed as his prime minister the aristocratic and conservative politician Otto van Bismarck. Over the next three decades, Bismarck pursued an aggressively nationalistic strategy of German unification and also sought to expand Prussia's influence over the unifying states. Successful on both counts, Bismarck not only created the

German empire but also helped define its character. Pessimistic and defensive, he saw chaos along the unruly fringes of his emerging empire, and repressed it whenever and wherever he could.

In 1865, Eduard made his first foray into politics, winning a seat in the Landtag, the Prussian lower house of government. Two years later, he was also elected to the national German parliament, the Reichstag. Eduard supported Bismarck's unification policies, but strongly opposed most of Bismarck's domestic and economic policies. Eduard advocated a state guided by the rule of law rather than by administrative fiat, and this philosophy soon placed him on a collision course with the autocratic Bismarck.

Unyielding—even rigid—in his public life, Eduard was a study in contradictions in his private life. "His personal appearance is . . . flawed by a lack of dignified calm," wrote one of his peers. "He is always in rapid motion."³ At other times, though, he was nearly immobilized by depression. His drastic mood swings did not impede him in politics, where he won recognition as a skillful orator and forceful personality. "Without a doubt," a colleague commented in 1874, "he was the best known and most popular member of the Reichstag when I entered that body."⁴

As a politician and statesman, he achieved remarkable success, especially in a society that actively marginalized Jews. But as the decades passed, Eduard found himself increasingly isolated on the left fringe of Prussian politics.⁵ He became a frequent target of attacks by Bismarck, who referred to him as "the sickness of Germany."⁶ Bismarck even instructed his own son, Herbert, to run against Eduard in an election in Lasker's home district in 1879. Eduard trounced Herbert, which only further antagonized the Iron Chancellor.

This victory was the high-water mark of Lasker's political power. Although he remained in the Reichstag, he slid into political eclipse, and his physical and mental health deteriorated. For several years, his friends had been worrying about a "nervous fever" that periodically seemed to overtake and disable him.⁷ In the spring of 1883, in an effort both to restore his mind and body—and to renew his relationship with his younger brother Morris—Eduard set off on an extended tour of the United States.

Eduard and Morris, separated by ten years, grew up in two different families. Their mother Rebecca died soon after Morris's birth, and Morris was raised by a stepmother with whom he clashed regularly. Twelve years later, Morris

lost his father to the cholera epidemic of 1852, and for the next four years he lived with an elder sister and her husband while attending the local school.

Although a highly intelligent child, Morris did not share Eduard's intellectual ambitions. At sixteen, he boarded a ship bound for America. His relatives in Jarocin wouldn't hear from him again for twenty years.

After a brutal, storm-buffed Atlantic crossing that lasted thirteen weeks, Lasker's ship limped into Fortress Monroe, Virginia. The young adventurer traveled twenty miles south to Portsmouth, where he got a job clerking in a dry goods store. Next he traveled north to New York, where he scraped by until the financial panic of 1857 wiped out his meager savings.⁸

Morris then again headed south—first to Florida and then Georgia, where he met and became friendly with a young man named Philip Sanger. Lasker spent three years in Georgia and the surrounding states, peddling goods in the country and serving as a distributor for importers based in the coastal towns and cities. He endured many long hours traveling by wagon to small towns and backwoods homesteads, and took advantage of those slow hours to read voraciously. Years later, he would tell his children of the times his horse and cart wound up in a roadside ditch because he was focused more on the book in his hand than on the road ahead of him.

Morris also told them of a Christmas dinner he ate on a plantation in North Carolina. In the rigid Southern social hierarchy of that time, peddlers ranked above the slaves who labored on those plantations, but far below their customers. Forbidden to eat with the family, Morris was offered a seat in the kitchen. He happened to overhear the daughter of the family lamenting the lack of Latin and Greek tutors to help her prepare for an upcoming exam. After the meal, he boldly made his way into the dining room and offered his services as a tutor—a proposal that the family accepted.

Perhaps in telling that story, Morris Lasker hoped to teach his children the value of an education. Perhaps he was also telling them that an adventurer in a new world needed to see things in new ways, apply his skills creatively, and even break the rules.



Tantalized by tales of limitless opportunity in faraway Texas, Morris decided to travel into the wilder reaches of his adopted nation. He hopped a train to New Orleans and then boarded a steamer to Shreveport, Louisiana. From